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DRAFT REPORT OF THE WORKING PARTY ON THE MEDIUM-TERM PLAN AND THE PROGRAMME BUDGET ON ITS TWENTIETH SESSION

Held at the Palais des Nations, Geneva,
from 16 to 19 April 1991

Rapporteur: Mr. Thomas Carter (United States of America)

CONTENTS

Chapter		Paragraphs
	Introduction	1 - 2
I.	Review of the UNCTAD section of the proposed United Nations programme budget for the biennium 1992-1993 (agenda item 3) and Report by the Secretary-General of UNCTAD pursuant to paragraph 4 of the agreed conclusions adopted by the Working Party at its ninth session (agenda item 4)	3 - 15
II.	Organizational matters	(i) - (viii)

INTRODUCTION

1. The twentieth session of the Working Party on the Medium-term Plan and the Programme Budget was held at the Palais des Nations, Geneva, from 16 to 19 April 1991.

2. In the course of the session, two plenary meetings were held. This report gives a short account of the proceedings of those meetings.

Chapter I

REVIEW OF THE UNCTAD SECTION OF THE PROPOSED UNITED NATIONS PROGRAMME BUDGET FOR THE BIENNIUM 1992-1993 (agenda item 3) AND REPORT BY THE SECRETARY-GENERAL OF UNCTAD PURSUANT TO PARAGRAPH 4 OF THE AGREED CONCLUSIONS ADOPTED BY THE WORKING PARTY AT ITS NINTH SESSION (agenda item 4)

3. In his introductory statement on agenda items 3 and 4, the Director of the Division for Programme Support and Management Services recalled that the quadrennial sessions of the Conference were not a recurrent special event superimposed to the normal life of the institution, but an integral part of its processes and cycles, setting its course and largely affecting not only the orientation of the activities of UNCTAD but also the pace of its work, which for at least a year before and after each session of the Conference had to be significantly readjusted to the requirements of preparations and follow-up to each Conference. The requirements of substantive preparations for UNCTAD Conferences were not unlike those of other major United Nations Conferences, for which special - sometimes sizable - secretariats were established, while in UNCTAD the needs were met within existing resources, in addition to the regular work programme. Above all, these Conferences were periodic occasions for renewal, which did not feature in the structures of other parts of the United Nations and were, as such, a very important distinguishing characteristic of UNCTAD.

4. New approaches to the agenda and conduct of these Conferences had been introduced over time as evidenced in particular in the organization and outcome of UNCTAD VII, and these innovations could be expected to be still more advanced in the preparations for UNCTAD VIII, which were also benefiting from the new methods of work successfully experimented in the preparations for the Paris Conference on the Least Developed Countries. The quadrennial Conferences were not the only instrument of adaptation and change for UNCTAD. The Twenty-fifth Anniversary of UNCTAD, in October 1989, had been used for reviewing UNCTAD's work and charting the way ahead. Also some valuable reforms had been introduced in the functioning of the Trade and Development

Board and its subsidiary machinery, which had led to a strengthening of the substantive dialogue and of consensus in the Board itself, and to a significant streamlining in the work of its machinery, including a drastic reduction in the overall number of meetings and a considerable streamlining of their agendas. Particularly relevant had been the decision that agendas of the Board's subsidiary bodies should comprise not more than three items, including a standing item on their own work programme, which was proving a most useful instrument for continuous review and adaptation.

5. At the secretariat level, the internal structures had undergone, after UNCTAD VII, one of the most far-reaching reorganizations in the history of the institution, aimed at a better focus on the substantive work of the secretariat in the main broad areas within UNCTAD's mandate and at raising the secretariat's capacity to manage change. In retrospect this was seen to have been a timely initiative, also vis-à-vis other parts of the economic and social sectors of the United Nations, and it had helped greatly in the difficult task of adapting to the resource cutbacks and post reductions which had been imposed on UNCTAD shortly thereafter, in spite of an expanding work programme, during the period of the financial crisis of the United Nations.

6. The achievement of the most appropriate balance between continuity and change was one of the most difficult challenges for any institution. It should be regarded both as a tribute to the continuing and renewed validity of General Assembly resolution 1995(XIX) and as a recognition of UNCTAD's capacity for adaptation and change, that the Secretary General of the United Nations in his most recent report on the reform of the economic and social sectors of the United Nations, addressing the need for an integrated treatment within the United Nations of issues of trade, investment and technology, had pointed to UNCTAD as the focal point around which relevant activities of various United Nations entities dealing with these issues could be integrated.

7. UNCTAD being an integral part of the United Nations, its programmes must be fitted and integrated into the programme planning process of the Organization as a whole, which had its own distinct cycles, determined by the

six-year medium-term plans and the biennial programme budgets. The resulting documentation naturally suffered as an instrument of dialogue with member States in the various United Nations entities on the actual content of activities, their evolution and orientation, and their interrelationships. Fortunately, the UNCTAD machinery provided many opportunities for such a dialogue, and the methods of work of the Working Party itself provided for an informal open dialogue with programme managers, to which the secretariat attached very high importance.

8. Turning more specifically to item 3 of the agenda, he indicated that the document before the Working Party (TD/B/WP(XX/Misc.1) contained the UNCTAD secretariat's programme budget proposals for inclusion in the United Nations proposed programme budget for the biennium 1992-1993, organized and presented in accordance with instructions issued for the United Nations programme budget as a whole by United Nations Headquarters. He recalled that UNCTAD VIII would now take place early in the new biennium and that its outcome might significantly affect the content and orientation of the programmes contained in the documentation before the Working Party.

9. The structure and the presentation of the new programme budget were different from those of the current and previous biennia. The 1992-1993 programme budget would be the first to be prepared on the basis of the new structure introduced in the context of the Medium-term Plan for 1992-1993; the current system of grouping into programme elements had been dropped and narratives were limited to a listing of outputs within each subprogramme, organized under predetermined output categories. New orientations to, and areas of emphasis in, the work programme for 1992-1993 were outlined in the introduction to each Programme.

10. The outcome of the Working Party's review would be conveyed to the United Nations Headquarters and would be taken into account by the Secretary-General of the United Nations in finalizing his proposals. United Nations Headquarters would issue the Programme Budget for 1992-1993 in

fascicle form, with the inclusion of budgetary proposals, for consideration by the Committee for Programme and Co-ordination and the Advisory Committee on Administrative and Budgetary Questions and for final action by the General Assembly.

11. In the same context, the Director of PSMS mentioned that consultations were currently underway with United Nations Headquarters on a number of concerns relating to the capacity of the UNCTAD secretariat to implement effectively the work programme in various areas. These included: arrangement for, and co-ordination of, UNCTAD action in support of African recovery and development, which the UNCTAD secretariat would intend to place on a more permanent basis, subject to the relevant decision of the General Assembly; the secretariat's capacity to pursue, within subprogramme 14.3, new mandates relating to the revitalization of the economic growth of developing countries and their sustained development, as called for in Board decision 384(XXXVII), as well as new work on adjustment policies and experiences and the generation and mobilization of domestic resources, pursuant to Committee on Invisibles and Financing related to Trade resolution 34(XIII); and the integration in the regular work of UNCTAD of two work programme areas, namely TRAINMAR activities and the Trade Control Measures Information System (TCMIS).

12. Finally, he drew the attention of the Working Party to the indications provided in the introduction to Programme 13 relating to processes under way in countries in Eastern Europe and their trade and economic relations with developing countries, further to discussions at the thirty-sixth and thirty-seventh sessions of the Board.

13. On agenda item 4, he recalled that the cash flow situation of the United Nations as a whole continued to give cause for concern, a negative flow being projected by December 1991, and that, as in the previous biennium, this led to the allotment of funds to departments and offices of the Organization continuing to take place on a short-term basis, which obviously worked against effective planning. The resulting constraints, particularly in availability of funds for consultant services and travel, were causes for concern in UNCTAD in a biennium in which a major Conference - the Second United Nations Conference on the Least Developed Countries - had been held and in which UNCTAD VIII was under preparation. Within the limited flexibility afforded by

the current financial situation, the UNCTAD management had deployed resources and was proposing redeployment of a number of posts to deal with these requirements and to respond effectively to new and emerging priorities. However, if some of the concerns referred to earlier were not addressed, the capacity of the UNCTAD secretariat to sustain the high level of programme implementation it had been able to maintain so far, risked with time being impaired.

14. If the present constraints, affecting in different degrees different parts of the United Nations, were to be effectively overcome, measures to better focus and integrate related programme activities would have to be pursued not only within each United Nations entity but also among them. This requirement, as well as important policy and substantive considerations, had led the Secretary-General of the United Nations to endorse proposals initiated by UNCTAD and the United Nations Centre on Transnational Corporations (UNCTC) to bring about the closest possible programme integration between the two entities, leading, to the extent possible, to common inputs and services. In the same context, the United Nations Secretary-General had referred to the central role of technology in the development process and to the need for a much greater effort to ensure that the developing countries had access to it, and he had stated that a way of enhancing the work of the United Nations in this area would be to relate more closely the work of the Centre for Science and Technology for Development with that of UNCTAD and the United Nations Centre on Transnational Corporations.

15. In conclusion, he reported briefly on developments in UNCTAD's technical co-operation activities. Once again there had been in 1990 a further growth in the programme as a whole of about 25 per cent, reaching the level of about $22 million. About 40 per cent of the value of activities were carried out in Africa. Steady progress continued to be made in the programmatic integration of operational activities with the regular work of the secretariat and the Working Party would, in accordance with agreed arrangements, be reviewing technical co-operation in depth at its second regular session of 1992.

[To be completed as appropriate]

Chapter II

ORGANIZATIONAL MATTERS

(a) Opening of the session

(i) The twentieth session of the Working Party was opened on 16 April 1991 by Mr. D. Hay-Edie (United Kingdom of Great Britain and Northern Ireland), Chairman of the Working Party at its nineteenth session.

(b) Election of officers
(agenda item 1)

(ii) At its 95th (opening) meeting, on 16 April 1991, the Working Party elected Mr. M. Rifaah El-Tahtawy (Egypt) to serve as its Chairman and Mr. T. Carter (United States of America) as its Vice-Chairman-cum-Rapporteur.

(c) Adoption of the agenda and organization of work
(agenda item 2)

(iii) Also at its 95th meeting, the Working Party adopted the provisional agenda which it had approved at its nineteenth session (TD/B/WP/71). The agenda for the twentieth session therefore read as follows:

1. Election of officers
2. Adoption of the agenda and organization of work
3. Review of the UNCTAD section of the proposed United Nations programme budget for the biennium 1992 - 1993
4. Report by the Secretary-General of UNCTAD pursuant to paragraph 4 of the agreed conclusions adopted by the Working Party at its ninth session
5. Provisional agenda for the twenty-first session of the Working Party
6. Other business
7. Adoption of the report of the Working Party to the Trade and Development Board.

(iv) With regard to the organization of work, after hearing the opening statement by the Director of the Division for Programme Support and Management Services (cf. chap. I above), the Working Party decided to meet as an informal working group to consider agenda items 3 and 4.

(d) Membership and attendance [1/]

(v) The following States members of the Working Party were represented at the session: Argentina; Australia; Brazil; Bulgaria; China; Egypt; Germany; India; Japan; Kenya; Peru; Philippines; Poland; Sweden; Union of Soviet Socialist Republics; United Kingdom of Great Britain and Northern Ireland; [United Republic of Tanzania]; United States of America; Yugoslavia.

(vi) The following other States members of UNCTAD, not members of the Working Party, were represented at the session: Algeria; Belgium; Bolivia; France; Hungary; Madagascar; Morocco; Portugal; Thailand; Tunisia; Turkey.

(vii) The United Nations Development Programme was represented at the session. The International Trade Centre UNCTAD GATT was also represented.

(viii) The following specialized agencies were represented at the session: United Nations Educational, Scientific and Cultural Organization; United Nations Industrial Development Organization.

[1/] The membership of the Working Party at its twentieth session was: Argentina; Australia; Brazil; Bulgaria; China; Egypt; Germany; India; Japan; Kenya; Peru; Philippines; Poland; Sweden; Union of Soviet Socialist Republics; United Kingdom of Great Britain and Northern Ireland; United Republic of Tanzania; United States of America; Yugoslavia. (See report of the Trade and Development Board on the first part of its thirty-seventh session (TD/B/1277 (Vol.II)), chapter IX, paragraph 537.

(e) Provisional agenda for the twenty-first session of the Working Party

(agenda item 5)

[To be completed]

(f) Adoption of the report of the Working Party to the Trade and Development Board

(agenda item 7)

[To be completed]